



City of Biggs

Agenda Item Staff Report for the Regular City Council Meeting: August 15, 2011 6:00PM

DATE: August 3, 2011
TO: Honorable Mayor and Members of the City Council
FROM: Pete Carr, City Administrator/Finance
SUBJECT: Annual Salary Adjustment (Discussion/Action)

City Administrator requests clarification and approval of planned salary adjustment for City employees.

Background

Biggs has traditionally provided an annual cost-of-living (COLA) salary adjustment for all employees on October 1 of each year, consistent with the MOU negotiated for employees represented by the labor agreement with Laborers Local 185. In 2010, the City and union agreed to drop the concept of a CPI-based automatic COLA, shifting this annual adjustment toward a predetermined dollar amount, and applying the annual adjustment to all employees except the city administrator. Not necessarily determined was whether this adjustment, going forward, will modify the salary schedule or simply apply to the salary of each employee within the current pay scale.

The negotiated adjustment for 2011 is \$0.25 per hour. 2010 was \$1.00 per hour.

The annual general adjustment is separate from the potential "merit" adjustment which can be individually earned by demonstrated performance. In both cases, the employee base salary (prior to overtime and certificate recognition) should not exceed the maximum salary listed as "Top" for that position.

At question are two issues:

1. Will non-represented employees' salaries adjust at all, and if so consistent with the MOU or otherwise? The unstated understanding in 2010 was that the \$1.00/hr increase would be followed by 25¢/yr for each of the two following years and that no CPI-based COLA would be provided.
2. Will the salary schedule also adjust October 1? If the adjustment applies only to the employee and not to the scale, some employees could now or in the future have salaries in conflict with the salary schedule. The salary schedule needs to periodically adjust (up or down) to protect the City's interests and

maintain comparable pace with the regional employment market; Biggs has performed informal comparability analysis in recent years on certain positions as needed.

Note that while some local agencies in the region and state are experiencing reductions in salary directly or via furloughs, others are experiencing negotiated increases in salary of up to 3% in conjunction with increased employee contribution (commonly from zero to 2%) to pension premiums. Biggs continues to maintain full employee contribution (7% of salary) to employee pension premiums for PERS' most modest pension formula currently available. Also, employee cost share for health insurance premiums went from 5% in 2010 to 10% January 2011 and is scheduled to increase to 15% January 2012.

Attachment: Current Biggs Salary Schedule and Progression Guideline

Recommendation

Approve application of 25¢/hr adjustment effective October 1, 2011 to all employees except the city administrator. Direct administrator to revise the salary schedule accordingly to reflect the adjustment for the positions as well as the employees in the positions, ensuring that no employee's base salary exceeds the scheduled maximum.

Fiscal Impact:

Budget assumed 25¢/hr increase for all employees except the city administrator effective October 1.

CITY OF BIGGS – CLASSIFICATION PLAN – SALARY PROGRESSION GUIDELINE

Approved by City Council November 15, 2010
Effective October 1, 2010

Concept for Wage and Salary Schedule – Biggs October 2010

Objectives: Cost control, stability and flexibility for City;
Incentives, rewards and development for employees.

1. City of Biggs offers flexible merit increases based on demonstrated performance.
2. The Salary Schedule sets an introductory rate and a maximum rate for city employee positions.
3. Annual increases based on merit per the annual performance evaluation rating earned as follows:

Performance eval rating 1 or 2	=	1% increase
Performance eval rating 3	=	3% increase
Performance eval rating 4	=	4% increase
Performance eval rating 5	=	5% increase

Raises are driven by demonstrated performance with annual review.

Employees, in concept, can earn top value in 5-12 years, depending on performance.

4. The Top value listed in the Salary Schedule is a cap for the value of that position.
 - A. The incentive is to perform well enough to earn higher raises, and qualify to promote up.
 - B. Increased longevity is already rewarded by increased vacation and pension benefits.
5. COLA: The City of Biggs does not recognize the practice of automatic annual cost-of-living (COLA) adjustments based on CPI or other factors. The City will consider annually its resources, the market for each position, and the cost of living in deciding whether to apply adjustments to individual salaried and/or to the salary schedule.

CITY OF BIGGS – CLASSIFICATION PLAN – SALARY SCHEDULE

Approved by City Council November 15, 2010
Effective October 1, 2010

	Entry			Top	
	Month Hour	Annual		Month Hour	Annual
City Administrator	6,365 36.72	76,380		7,956 45.90	95,472
Public Works Superintendent	4,148 23.93	49,776		5,185 29.91	62,220
Public Works Supervisor	3,771 21.76	45,252		4,714 27.20	56,568
Planning Assistant/ Code Enforcement	2,592 14.95	31,104		3,240 18.69	38,880
Finance Director	3,428 19.78	41,136		4,285 24.72	51,420
Accounting Technician	2,862 16.51	34,340		3,577 20.64	42,924
Senior Accounting Clerk	2,602 15.01	31,218		3,252 18.76	39,024
Accounting Clerk	2,365 13.64	28,380		2,956 17.05	35,472
Administrative Assistant	2,150 11.16	25,800		2,688 15.51	32,256
Chief Plant Operator Level 3 License	3,490 20.13	41,880		4,292 24.76	51,504
Treatment Plant Operator Level 2 License	3,035 17.51	36,420		3,733 21.54	44,796
Treatment Plant Operator Level 1 License	2,759 15.92	33,108		3,393 19.57	40,716
City Crew III Water System Operator	2,508 14.47	30,096		3,085 17.80	37,020
City Crew II Equipment Operator	2,280 13.15	27,360		2,804 16.18	33,648
City Crew I General Maintenance	2,101 12.12	25,210		2,550 14.71	30,600

monthly salary is the driver
hourly is monthly divided by 173.334
annual is monthly x 12

City Clerk is \$150/mo stipend

Note:

No stated steps, 25% entry to top, performance based @ 1-5%/yr
Evaluation 1 or 2 = 1%; 3=3%; 4=4%; 5=5%
Generally 10% graduation between positions in a career path.